

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	29th AUGUST 2019	CATEGORY:
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	DELEGATED OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@southderbyshire.gov.uk	DOC: u/ks/revenues and benefits/policies/debt management/debt management report August 2019
SUBJECT:	DEBT MANAGEMENT POLICY	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the updated Debt Management Policy for the recovery of Council Tax, Business Rates and Housing Benefit Overpayments is approved.

2.0 Purpose of the Report

- 3.1 To review and provide an updated Policy following changes to organisational structures. The Policy was last updated in 2016 and it is considered good practice that it is subject to periodic review to ensure that it remains relevant for the purposes of recovering these debts due to the Council. No major changes to the general principles are proposed.

3.0 Executive Summary

- 3.1 The Policy provides a framework for service delivery that continues to recognise that debt occurs for a variety of reasons and seeks to draw the distinction, and therefore, the approach to be taken when, on one hand, there may be a deliberate intention not to pay and on the other, non-payment may be as a result of a simple oversight or a change in personal circumstances.
- 3.2 The framework fully supports the Council's Corporate Plan and provides methodologies that can be used to drive continuous improvement in collection and excellence in Customer Services by ensuring customers are treated fairly.
- 3.3 The Policy provides the core principles that apply to the Council's collection and income management processes and procedures. Under Section 151 of the Local Government Act 1972, the Strategic Director of Corporate Resources has overall responsibility for the Policy.
- 3.4 The Policy is based on best practice and guidance issued by various professional bodies, together with the Government. It sets out the way in which the Council intends to collect monies due to it from both individuals and businesses. In doing so, the Council will use the most effective method of debt recovery, appropriate to each case and the nature of the debt, in order to maximise income due.

- 3.5 However, it is inevitable that from time-to-time the Council will be required to pursue recovery, from persons and or businesses experiencing genuine financial difficulty. This means that an agreed and transparent policy of how the Council manages and collects debts is considered key to ensuring consistency, sensitivity and best practice in such situations to ensure the best outcome for all parties.
- 3.6 The Policy covers the following debts owed to the Council,
- Council Tax
 - Business Rates
 - Benefit overpayments
- 3.7 These debts relate to statutory charges for which the Council has a statutory duty to enforce and collect. Separate policies exist for the collection of Housing Rents and Sundry Debt to satisfy different regulations in those areas.
- 3.8 This Policy sets out the general principles and standards to be followed in matters such as dealing with the Council and in particular:
- General guidelines on payments and arrangements
 - The rules on enforcement activity, including use of the courts
 - The manner in which agents act on the Council's behalf
- 3.9 Integral to the Policy is the provision of support mechanisms such as:
- Welfare and Housing Benefit Advice
 - Discretionary Housing Payments
 - Local Council Tax Discount Scheme
 - Instalment plan facilities
 - General housing advice and support
 - Support and advice for businesses, including rate relief schemes

4.0 Detail

- 4.1 The detailed Policy is attached to this Report.

5.0 Financial Implications

- 5.1 None associated with the Policy itself.

6.0 Corporate Implications

Employment Implications

- 6.1 As above.

Legal Implications

- 6.2 These are contained within the Policy itself, for example recovery action and the use of Enforcement Agents, etc. actions for which need to be conducted within legal requirements.

Corporate Plan Implications

- 6.3 The Policy contributes to the key aim of “Maintaining Financial Health” (O1). Collecting debt reduces the impact on the Council’s Bad Debt Provisions for these types of debt, which are budgeted for and costed in the General and Collection Funds.

Risk Impact

- 6.4 None associated with the Policy itself.

7.0 Community Impact

Consultation

- 7.1 None required.

Equality and Diversity Impact

- 7.2 There is perhaps a risk that certain groups with protected characteristics under Equalities Legislation could suffer discrimination. For example, there is evidence to suggest that potentially more vulnerable people may experience difficulty in making payments.
- 7.3 However, the Policy recognises this particular issue by treating issues on a case-by-case basis and implementing a method of recovery appropriate to each case.

Social Value Impact

- 7.4 None associated with the Policy itself.

Environmental Sustainability

- 7.5 As above.

8.0 Background Papers

- 8.1 None